

Inpatient rehabilitation facility services: Assessing payment adequacy and updating payments

ISSUE: Are payments for inpatient rehabilitation facilities (IRFs) adequate? How should payments for fiscal year 2007 be updated?

KEY POINTS: This analytical cycle is our first assessment of adequacy and recommendation for updating IRF payments. We examine six factors to determine whether payments for IRFs in fiscal year 2006 are adequate:

- access to care
- supply of facilities
- volume of services
- quality
- access to capital
- payments and costs

We then examine how costs are likely to change in 2007 and present a draft recommendation.

ACTION: Commissioners should discuss the draft recommendation.

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